

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6647

BILL NUMBER: SB 259

NOTE PREPARED: Jan 17, 2006

BILL AMENDED:

SUBJECT: End Date for Capture of Certain Funds for Stadium.

FIRST AUTHOR: Sen. Kenley

BILL STATUS: 2nd Reading - 1st House

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill provides for the termination of the annual capture of \$11,000,000 of state revenue for use to pay obligations owed by the Marion County Capital Improvement Board to the Indiana Stadium and Convention Building Authority or a state agency. It also provides that after January 1, 2010, the annual capture terminates in the year following the first year when none of the obligations remain outstanding.

Effective Date: July 1, 2006.

Explanation of State Expenditures:

Explanation of State Revenues: The bill requires the annual capture limit in the Marion County Professional Sports Development Area (PSDA) to be reduced from \$16 M to \$5 M once no obligations for stadium and convention center improvements are owed to the Indiana Stadium and Convention Building Authority (ISCBA) by the Marion County Capital Improvement Board (CIB).

Current statute allows the State Budget Director to increase the state income and sales tax capture limit in the Marion County PSDA from \$5 M annually to \$16 M annually from July 1, 2007, to January 1, 2041. This determination was required on or before October 1, 2005, as a condition of the ISCBA issuing more than \$500 M in bonds to finance stadium and convention center capital improvements. This determination has been made by the State Budget Director. The additional money captured in the PSDA is to be distributed to the Marion County CIB. Currently, payments from the CIB to the ISCBA for stadium and convention center improvements are expected to continue through 2040.

Individual AGI Tax and Sales and Use Tax collections in the Marion County PSDA exceeded the \$5 M capture limit by \$3.89 M in FY 2002, \$4.2 M in FY 2003, and \$5.5 M in FY 2004. Currently, the Marion County PSDA includes Conseco Fieldhouse, the Indiana Convention Center, the RCA Dome, Victory Field, the Colts' practice facility, and the site of Indiana Stadium.

Explanation of Local Expenditures:

Explanation of Local Revenues: See *Explanation of State Revenues*.

State Agencies Affected:

Local Agencies Affected: Marion County CIB.

Information Sources: Ryan Kitchell, Indiana Finance Authority, (317) 233-4334.

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